

SENATE, No. 3820

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MAY 30, 2019

Sponsored by:

Senator RICHARD J. CODEY

District 27 (Essex and Morris)

Co-Sponsored by:

Senator Corrado

SYNOPSIS

Appropriates funds to DEP for environmental infrastructure projects for FY2020.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/7/2019)

1 AN ACT appropriating moneys to the Department of Environmental
2 Protection for the purpose of making zero interest loans or
3 principal forgiveness loans to project sponsors to finance a
4 portion of the costs of environmental infrastructure projects.
5

6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
7 *of New Jersey:*
8

9 1. a. (1) There is appropriated to the Department of
10 Environmental Protection from the "Clean Water State Revolving
11 Fund" established pursuant to section 1 of P.L.2009, c.77, an
12 amount equal to the federal fiscal year 2019 capitalization grant
13 made available to the State for clean water project loans pursuant to
14 the "Water Quality Act of 1987" (33 U.S.C. s.1251 et seq.), and any
15 amendatory and supplementary acts thereto (hereinafter referred to
16 as the "Federal Clean Water Act").

17 (2) There is appropriated to the Department of Environmental
18 Protection from the "Interim Environmental Financing Program
19 Fund" created and established by the New Jersey Infrastructure
20 Bank pursuant to subsection d. of section 9 of P.L.1985, c.334
21 (C.58:11B-9) such amounts as may be necessary to supplement the
22 sums appropriated from the Clean Water State Revolving Fund for
23 the purposes of clean water project loans and providing the State
24 match as required or will be required for the award of the
25 capitalization grants made available to the State for clean water
26 projects pursuant to the Federal Clean Water Act.

27 (3) There is appropriated to the Department of Environmental
28 Protection from the "Disaster Relief Emergency Financing Program
29 Fund" created and established by the New Jersey Infrastructure
30 Bank pursuant to section 1 of P.L.2013, c.93 (C.58:11B-9.5) such
31 amounts as may be necessary to supplement the sums appropriated
32 from the Clean Water State Revolving Fund for the purposes of
33 clean water project loans and providing the State match as required
34 or will be required for the award of the capitalization grants made
35 available to the State for clean water projects pursuant to the
36 Federal Clean Water Act.

37 (4) There is appropriated to the Department of Environmental
38 Protection from the "Drinking Water State Revolving Fund"
39 established pursuant to section 1 of P.L.1998, c.84 an amount equal
40 to the federal fiscal year 2019 capitalization grant made available to
41 the State for drinking water projects pursuant to the "Safe Drinking
42 Water Act Amendments of 1996," Pub.L.104-182, and any
43 amendatory and supplementary acts thereto (hereinafter referred to
44 as the "Federal Safe Drinking Water Act").

45 The Department of Environmental Protection is authorized to
46 transfer from the Clean Water State Revolving Fund to the Drinking
47 Water State Revolving Fund an amount up to the maximum amount
48 authorized to be transferred pursuant to the Federal Safe Drinking

1 Water Act to meet present and future needs for the financing of
2 eligible drinking water projects, and an amount equal to that
3 maximum amount is hereby appropriated to the department for
4 those purposes.

5 The Department of Environmental Protection is authorized to
6 transfer from the Drinking Water State Revolving Fund to the Clean
7 Water State Revolving Fund an amount up to the maximum amount
8 authorized to be transferred pursuant to the Federal Clean Water
9 Act to meet present and future needs for the financing of eligible
10 clean water projects, and an amount equal to that maximum amount
11 is hereby appropriated to the department for those purposes.

12 Notwithstanding any provision of this act to the contrary, the
13 Department of Environmental Protection is authorized to utilize
14 funds from the Clean Water State Revolving Fund for the purposes
15 of the Drinking Water State Revolving Fund, and may charge
16 interest on loans made with such invested funds to the extent
17 permitted by the Federal Clean Water Act and the Federal Safe
18 Drinking Water Act.

19 (5) There is appropriated to the Department of Environmental
20 Protection the unappropriated balances from the Clean Water State
21 Revolving Fund, including the balances from the Federal Disaster
22 Relief Appropriations Act, and any repayments of loans and interest
23 therefrom, for the purposes of clean water project loans and
24 providing the State match as available on or before June 30, 2020,
25 as required or will be required for the award of the capitalization
26 grants made available to the State for clean water projects pursuant
27 to the Federal Clean Water Act.

28 (6) There is appropriated to the Department of Environmental
29 Protection the unappropriated balances from the "Wastewater
30 Treatment Fund" established pursuant to section 15 of the
31 "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329), and
32 any repayments of loans and interest therefrom, as available on or
33 before June 30, 2020, for the purposes of clean water project loans
34 and providing the State match as required or will be required for the
35 award of the capitalization grants made available to the State for
36 clean water projects pursuant to the Federal Clean Water Act.

37 (7) There is appropriated to the Department of Environmental
38 Protection the unappropriated balances from the "1992 Wastewater
39 Treatment Fund" established pursuant to section 27 of the "Green
40 Acres, Clean Water, Farmland and Historic Preservation Bond Act
41 of 1992" (P.L.1992, c.88), and any repayments of loans and interest
42 therefrom, as available on or before June 30, 2020, for the purposes
43 of clean water project loans and providing the State match as
44 required or will be required for the award of the capitalization
45 grants made available to the State for clean water projects pursuant
46 to the Federal Clean Water Act.

47 (8) There is appropriated to the Department of Environmental
48 Protection the unappropriated balances from the "2003 Water

1 Resources and Wastewater Treatment Fund” established pursuant to
2 subsection a. of section 19 of the “Dam, Lake, Stream, Flood
3 Control, Water Resources, and Wastewater Treatment Project Bond
4 Act of 2003” (P.L.2003, c.162), and any repayments of loans and
5 interest therefrom, as available on or before June 30, 2020, for the
6 purposes of clean water project loans and providing the State match
7 as required or will be required for the award of the capitalization
8 grants made available to the State for clean water projects pursuant
9 to the Federal Clean Water Act.

10 (9) There is appropriated to the Department of Environmental
11 Protection the unappropriated balances from the “Pinelands
12 Infrastructure Trust Fund” established pursuant to section 14 of the
13 “Pinelands Infrastructure Trust Bond Act of 1985” (P.L.1985,
14 c.302), and any repayments of loans and interest therefrom, as
15 available on or before June 30, 2020, for the purposes of clean
16 water project loans and providing the State match as required or
17 will be required for the award of the capitalization grants made
18 available to the State for clean water projects pursuant to the
19 Federal Clean Water Act.

20 (10) There is appropriated to the Department of Environmental
21 Protection the unappropriated balances from the "Stormwater
22 Management and Combined Sewer Overflow Abatement Fund,"
23 established pursuant to the “Stormwater Management and
24 Combined Sewer Overflow Abatement Bond Act of 1989”
25 (P.L.1989, c.181), and any repayments of loans and interest
26 therefrom, as available on or before June 30, 2020, for the purposes
27 of clean water project loans and providing the State match as
28 required or will be required for the award of the capitalization
29 grants made available to the State for clean water projects pursuant
30 to the Federal Clean Water Act.

31 (11) There is appropriated to the Department of Environmental
32 Protection the unappropriated balances from the Drinking Water
33 State Revolving Fund, including the balances from the Disaster
34 Relief Appropriations Act of 2013, for the purposes of drinking
35 water project loans and any repayments of loans and interest
36 therefrom, that are or may become available on or before June 30,
37 2020.

38 (12) There is appropriated to the Department of Environmental
39 Protection such sums as may be needed from loan repayments and
40 interest earnings from the "Water Supply Fund" established
41 pursuant to section 14 of the “Water Supply Bond Act of 1981”
42 (P.L.1981, c.261) for the "Drinking Water State Revolving Fund
43 Match Accounts" contained within that fund for the purpose of
44 providing the State match as required or will be required for the
45 award of the capitalization grants made available to the State for
46 drinking water projects pursuant to the Federal Safe Drinking Water
47 Act.

1 (13) There is appropriated to the Department of Environmental
2 Protection from the "Interim Environmental Financing Program
3 Fund" created and established by the New Jersey Infrastructure
4 Bank pursuant to subsection d. of section 9 of P.L.1985, c.334
5 (C.58:11B-9) such amounts as may be or become available on or
6 before June 30, 2020, and any repayments of loans and interest
7 therefrom, as may be necessary to supplement the sums
8 appropriated from the Drinking Water State Revolving Fund for the
9 purposes of drinking water project loans and providing the State
10 match as required or will be required for the award of the
11 capitalization grants made available to the State for clean water
12 projects pursuant to the Federal Safe Drinking Water Act.

13 (14) There is appropriated to the Department of Environmental
14 Protection from the "Disaster Relief Emergency Financing Program
15 Fund" created and established by the New Jersey Infrastructure
16 Bank pursuant to section 1 of P.L.2013, c.93 (C.58:11B-9.5) such
17 amounts as may be necessary to supplement the sums appropriated
18 from the Drinking Water State Revolving Fund for the purposes of
19 drinking water project loans and providing the State match as
20 required or will be required for the award of the capitalization
21 grants made available to the State for drinking water projects
22 pursuant to the Federal Safe Drinking Water Act.

23 (15) There is appropriated to the Department of Environmental
24 Protection such sums as may be received by the Department of
25 Community Affairs as the grantee from the United States
26 Department of Housing and Urban Development Community
27 Development Block Grant - Disaster Recovery Program (CDBG-
28 DR), as anticipated and upon availability on or before June 30,
29 2020, for the purposes of CDBG-DR eligible clean water and
30 drinking water project loans and providing the State match as
31 required or will be required for the award of the capitalization
32 grants made available to the State for clean water projects pursuant
33 to the Federal Clean Water Act and drinking water projects pursuant
34 to the Federal Safe Drinking Water Act, respectively.

35 (16) There is appropriated to the Department of Environmental
36 Protection such sums as may be or become available on or before
37 June 30, 2020, as repayments of drinking water project loans and
38 any interest therefrom from the "Water Supply Fund" established
39 pursuant to section 14 of the "Water Supply Bond Act of 1981"
40 (P.L.1981, c.261) for the purposes of drinking water project loans
41 and providing the State match as required or will be required for the
42 award of the capitalization grants made available to the State for
43 drinking water projects pursuant to the Federal Safe Drinking Water
44 Act.

45 (17) Of the sums appropriated to the Department of
46 Environmental Protection from the "Water Supply Fund" pursuant
47 to P.L.1999, c.174, P.L.2001, c.222, P.L.2002, c.70 and P.L.2003,
48 c.158, the department is authorized to transfer any unexpended

1 balances and any repayments of loans and interest therefrom as may
2 be or become available on or before June 30, 2020, in such amounts
3 as needed to the Drinking Water State Revolving Fund accounts
4 contained within the Water Supply Fund established for the
5 purposes of providing drinking water project loans and providing
6 the State match as required or will be required for the award of the
7 capitalization grants made available to the State for drinking water
8 projects pursuant to the Federal Safe Drinking Water Act.

9 (18) Of the sums appropriated to the Department of
10 Environmental Protection from the "1992 Wastewater Treatment
11 Fund" pursuant to P.L.1996, c.85, P.L.1997, c.221, P.L.1998, c.84,
12 P.L.1999, c.174, P.L.2000, c.92, P.L.2001, c.222 and P.L.2002,
13 c.70, the department is authorized to transfer any unexpended
14 balances and any repayments of loans and interest therefrom as may
15 be or become available on or before June 30, 2020, in such amounts
16 as needed to the Clean Water State Revolving Fund accounts
17 contained within the 1992 Wastewater Treatment Fund for the
18 purposes of providing clean water project loans and providing the
19 State match as required or will be required for the award of the
20 capitalization grants made available to the State for clean water
21 projects pursuant to the Federal Clean Water Act.

22 (19) Of the sums appropriated to the Department of
23 Environmental Protection from the "2003 Water Resources and
24 Wastewater Treatment Fund" pursuant to P.L.2004, c.109, and
25 P.L.2007, c.139, the department is authorized to transfer any
26 unexpended balances and any repayments of loans and interest
27 therefrom as may be or become available on or before June 30,
28 2020, in such amounts as needed to the Clean Water State
29 Revolving Fund accounts contained within the 2003 Water
30 Resources and Wastewater Treatment Fund for the purposes of
31 providing clean water project loans and providing the State match
32 as required or will be required for the award of the capitalization
33 grants made available to the State for clean water projects pursuant
34 to the Federal Clean Water Act.

35 (20) There is appropriated to the Department of Environmental
36 Protection the sums deposited by the New Jersey Infrastructure
37 Bank into the Clean Water State Revolving Fund, the "Wastewater
38 Treatment Fund," the "1992 Wastewater Treatment Fund," the
39 "Water Supply Fund," the "Stormwater Management and Combined
40 Sewer Overflow Abatement Fund," established pursuant to the
41 "Stormwater Management and Combined Sewer Overflow
42 Abatement Bond Act of 1989" (P.L.1989, c.181), the "2003 Water
43 Resources and Wastewater Treatment Fund" and the Drinking
44 Water State Revolving Fund, as appropriate, pursuant to paragraph
45 (6) of subsection c. of section 1 of P.L. , c. (pending before the
46 Legislature as Senate Bill No. 3819 of 2019 and Assembly Bill No.
47 5456 of 2019), as available on or before June 30, 2020, for the
48 purposes of providing clean water project loans and drinking water
49 project loans and providing the State match as required or will be

1 required for the award of the capitalization grants made available to
2 the State for clean water projects pursuant to the Federal Clean
3 Water Act and drinking water projects pursuant to the Federal Safe
4 Drinking Water Act.

5 Any such amounts shall be for the purpose of making zero
6 interest and principal forgiveness financing loans, to the extent
7 sufficient funds are available, to or on behalf of local government
8 units or public water utilities (hereinafter referred to as "project
9 sponsors") to finance a portion of the cost of construction of clean
10 water projects and drinking water projects listed in sections 2 and 3
11 of this act, and for the purpose of implementing and administering
12 the provisions of this act, to the extent permitted by the Federal
13 Disaster Relief Appropriations Act, the Federal Clean Water Act,
14 and any amendatory and supplementary acts thereto, P.L.2009, c.77,
15 the "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329),
16 the "Water Supply Bond Act of 1981" (P.L.1981, c.261), the
17 "Stormwater Management and Combined Sewer Overflow
18 Abatement Bond Act of 1989" (P.L.1989, c.181), the "Green Acres,
19 Clean Water, Farmland and Historic Preservation Bond Act of
20 1992" (P.L.1992, c.88), the "Dam, Lake, Stream, Flood Control,
21 Water Resources, and Wastewater Treatment Project Bond Act of
22 2003" (P.L.2003, c.162), the Federal Safe Drinking Water Act, and
23 any amendatory and supplementary acts thereto, and State law.

24 b. The department is authorized to make zero interest and
25 principal forgiveness financing loans to or on behalf of the project
26 sponsors for the environmental infrastructure projects listed in
27 subsection a. of section 2 and subsection a. of section 3 of this act
28 for clean water projects, up to the individual amounts indicated and
29 in the priority stated, to the extent there are sufficient eligible
30 project applications, and except that any such amounts may be
31 reduced if a project fails to meet the requirements of section 4 or 5
32 of this act, or by the Commissioner of Environmental Protection
33 pursuant to section 7 of this act, provided:

34 (1) a maximum of \$3 million, plus any appropriated but
35 unallocated funds designated in State fiscal year 2019 for Barnegat
36 Bay Watershed projects, in principal forgiveness loans shall be
37 issued to finance Barnegat Bay Watershed environmental
38 infrastructure projects as provided in subsection a. of section 3 of
39 this act, wherein principal forgiveness shall be a minimum of 25
40 percent of the fund loan amount per project sponsor in an amount
41 not to exceed \$2 million of principal forgiveness per project
42 sponsor;

43 (2) a maximum of \$10 million, plus any appropriated but
44 unallocated funds designated in State fiscal year 2019 for combined
45 sewer overflow projects, in principal forgiveness loans shall be
46 issued as provided in subsection a. of section 3 of this act to
47 communities in combined sewer overflow sewersheds sponsoring
48 construction projects that reduce or eliminate discharges from

1 combined sewer overflow outfalls, wherein principal forgiveness
2 loans shall not exceed \$1 million per borrower subject to the
3 availability of funds, and wherein 50 percent of the principal of the
4 fund loan shall be forgiven, 25 percent of the loan shall be a zero
5 interest rate fund loan, and 25 percent of the loan shall be a trust
6 market rate loan. For project costs greater than \$2 million up to and
7 including \$10 million, 75 percent of the loan shall be a zero interest
8 rate fund loan and 25 percent of the loan shall be a trust market rate
9 loan. For project costs greater than \$10 million, 50 percent of the
10 loan shall be a zero interest rate fund loan and 50 percent of the
11 loan shall be a trust market rate loan;

12 (3) a maximum of \$12 million, plus any appropriated but
13 unallocated funds designated in State fiscal year 2019 for combined
14 sewer overflow projects, in principal forgiveness loans shall be
15 issued as provided in subsection a. of section 3 of this act for
16 combined sewer overflow abatement projects that treat stormwater
17 runoff through infiltration into subsoil or filtration by vegetation or
18 soil, or store stormwater runoff for later reuse, wherein principal
19 forgiveness loans shall not exceed \$3 million per borrower subject
20 to the availability of funds, and wherein 50 percent of the principal
21 of the fund loan shall be forgiven, 25 percent of the loan shall be a
22 zero interest rate fund loan, and 25 percent of the loan shall be a
23 trust market rate loan subject to the availability of funds. For
24 project costs greater than \$6 million up to and including \$10
25 million, 75 percent of the loan shall be a zero interest rate fund loan
26 and 25 percent of the loan shall be a trust market rate loan. For
27 project costs greater than \$10 million, 50 percent of the loan shall
28 be a zero interest rate fund loan and 50 percent of the loan shall be a
29 trust market rate loan;

30 (4) to the extent funds are available, a maximum of \$1.5 million
31 in principal forgiveness loans shall be issued to finance clean water
32 environmental infrastructure projects as provided in subsection a. of
33 section 3 of this act for systems serving populations of up to 10,000
34 residents for the development of asset management plans wherein
35 principal forgiveness shall be 100 percent of the fund loan amount
36 per project in an amount not to exceed \$100,000 per project sponsor
37 subject to the availability of funds; and

38 (5) those projects listed in subsection a. of section 2 of this act
39 and subsection a. of section 3 of this act that were previously
40 identified in P.L.2018, c.85, as amended by P.L.2018, c.137 and
41 P.L.2019, c.12, are granted continued priority status and shall be
42 subject to the provisions of P.L.2018, c.85, as amended by
43 P.L.2018, c.137 and P.L.2019, c.12, provided such projects receive
44 short-term funding prior to June 30, 2019.

45 c. The department is authorized to make zero interest and
46 principal forgiveness financing loans to or on behalf of the project
47 sponsors for the environmental infrastructure projects listed in
48 subsection b. of section 3 of this act for drinking water projects, up

1 to the individual amounts indicated and in the priority stated,
2 provided:

3 (1) a maximum of 30 percent of the 2019 Drinking Water State
4 Revolving Fund capitalization grant not to exceed \$5 million may
5 be issued as provided in subsection b. of section 3 of this act for
6 drinking water systems, as follows:

7 (a) up to \$4 million of Drinking Water State Revolving Fund
8 loans shall be available for drinking water systems serving
9 populations of up to 10,000 residents wherein principal forgiveness
10 shall not exceed \$500,000 in the aggregate and shall not exceed 50
11 percent of the total loan amount per project sponsor in an amount
12 not to exceed \$1 million per project sponsor.

13 Loans for drinking water systems serving 500 or fewer residents
14 shall be given the highest priority, followed by systems serving
15 between 501 to 10,000 residents;

16 (b) a maximum of \$1.5 million in principal forgiveness loans
17 shall be issued to drinking water systems serving populations of up
18 to 10,000 residents for the development of asset management plans
19 wherein principal forgiveness shall be 100 percent of the fund loan
20 amount per project in an amount not to exceed \$100,000 per project
21 sponsor subject to the availability of funds; and

22 (c) a maximum of \$30 million of principal forgiveness for
23 drinking water systems serving communities with a weighted
24 median household income less than the median household income
25 for the county in which they are located for lead line replacement
26 wherein principal forgiveness shall not exceed 90 percent of the
27 total fund loan amount of: \$1 million per water system for systems
28 serving populations of less than 10,000, \$5 million per water system
29 for systems serving populations of between 10,000 and 100,000,
30 and \$10 million per water system for systems serving populations
31 greater than 100,000.

32 Loans may be made pursuant to this subsection to the extent
33 there are sufficient eligible project applications and as required or
34 will be required for the award of the capitalization grants made
35 available to the State for drinking water projects pursuant to the
36 Federal Safe Drinking Water Act. Any such amounts may be
37 reduced by the Commissioner of Environmental Protection pursuant
38 to section 7 of this act, or if a project fails to meet the requirements
39 of section 4 or 5 of this act.

40 (2) Those projects listed in subsection a. of section 3 of this act
41 and subsection b. of section 3 of this act that were previously
42 identified in P.L.2018, c.85, as amended by P.L.2018, c.137 and
43 P.L.2019, c.12, are granted continued priority status and shall be
44 subject to the provisions of P.L.2018, c.85, as amended by
45 P.L.2018, c.137 and P.L.2019, c.12, provided such projects receive
46 short-term funding prior to June 30, 2019.

47 d. The department is authorized to make zero interest and
48 principal forgiveness financing loans to or on behalf of the project

1 sponsors for the environmental infrastructure projects listed in
2 sections 2 and 3 of this act under the same terms, conditions and
3 requirements as set forth in this section from any unexpended
4 balances of the amounts appropriated pursuant to section 1 of
5 P.L.1987, c.200, section 2 of P.L.1988, c.133, section 1 of
6 P.L.1989, c.189, section 1 of P.L.1990, c.99, section 1 of P.L.1991,
7 c.325, section 1 of P.L.1992, c.38, section 1 of P.L.1993, c.193,
8 section 1 of P.L.1994, c.106, section 1 of P.L.1995, c.219, section 1
9 of P.L.1996, c.85, section 1 of P.L.1997, c.221, section 2 of
10 P.L.1998, c.84, section 2 of P.L.1999, c.174, section 2 of P.L.2000,
11 c.92, sections 1 and 2 of P.L.2001, c.222, sections 1 and 2 of
12 P.L.2002, c.70, sections 1 and 2 of P.L.2003, c.158, sections 1 and
13 2 of P.L.2004, c.109, sections 1 and 2 of P.L.2005, c.196, sections 1
14 and 2 of P.L.2006, c.68, sections 1 and 2 of P.L.2007, c.139,
15 sections 1 and 2 of P.L.2008, c.68, sections 1 and 2 of P.L.2009,
16 c.102, sections 1 and 2 of P.L.2010, c.63, sections 1 and 2 of
17 P.L.2011, c.93, sections 1 and 2 of P.L.2012, c.43, sections 1 and 2
18 of P.L.2013, c.95, sections 1 and 2 of P.L.2014, c.25, sections 1 and
19 2 of P.L.2015, c.108, sections 1 and 2 of P.L.2016, c.32, as
20 amended by P.L.2017, c.14, sections 1 and 2 of P.L.2017, c.143, as
21 amended by P.L.2017, c.326, and sections 1 and 2 of P.L.2018,
22 c.85, as amended by P.L.2018, c.137 and P.L.2019, c.12, including
23 amounts resulting from the low bid and final building cost
24 reductions authorized pursuant to section 6 of P.L.1987, c.200,
25 section 7 of P.L.1988, c.133, section 6 of P.L.1989, c.189, section 6
26 of P.L.1990, c.99, section 6 of P.L.1991, c.325, section 6 of
27 P.L.1992, c.38, section 6 of P.L.1993, c.193, section 6 of P.L.1994,
28 c.106, section 6 of P.L.1995, c.219, section 6 of P.L.1996, c.85,
29 section 6 of P.L.1997, c.221, section 7 of P.L.1998, c.84, section 6
30 of P.L.1999, c.174, section 6 of P.L.2000, c.92, section 6 of
31 P.L.2001, c.222, section 6 of P.L.2002, c.70, section 6 of P.L.2003,
32 c.158, section 6 of P.L.2004, c.109, section 6 of P.L.2005, c.196,
33 section 6 of P.L.2006, c.68, section 6 of P.L.2007, c.139, section 6
34 of P.L.2008, c.68, section 7 of P.L.2009, c.102, section 6 of
35 P.L.2010, c.63, section 6 of P.L.2011, c.93, section 6 of P.L.2012,
36 c.43, section 6 of P.L.2013, c.95, section 7 of P.L.2014, c.25,
37 section 7 of P.L.2015, c.108, section 7 of P.L.2016, c.32, as
38 amended by P.L.2017, c.14, section 7 of P.L.2017, c.143 as
39 amended by P.L.2017, c.326, section 7 of P.L.2018, c.85, as
40 amended by P.L.2018, c.137 and P.L.2019, c.12, and from any
41 repayments of loans and interest from the Clean Water State
42 Revolving Fund, the "Wastewater Treatment Fund," the "Water
43 Supply Fund," the "1992 Wastewater Treatment Fund," the "2003
44 Water Resources and Wastewater Treatment Fund," and amounts
45 deposited therein during State fiscal year 2018 and State fiscal year
46 2019 pursuant to the provisions of section 16 of P.L.1985, c.329,
47 and section 2 of P.L.2009, c.77 and any amendatory and
48 supplementary acts thereto, including any Clean Water State

1 Revolving Fund Accounts contained within the "Wastewater
2 Treatment Fund," and from any repayment of loans and interest
3 from the Drinking Water State Revolving Fund.

4 e. The department is authorized to make zero interest and
5 principal forgiveness Sandy financing loans to or on behalf of the
6 project sponsors for the Sandy environmental infrastructure projects
7 listed in subsection a. of section 3 of this act for clean water
8 projects, in a manner consistent with the Federal Disaster Relief
9 Appropriations Act, up to the individual amounts indicated, except
10 that any such amount may be reduced by the Commissioner of
11 Environmental Protection pursuant to section 7 of this act, or if a
12 project fails to meet the requirements of section 4, 5, or 7 of this
13 act, provided a maximum of \$300 million shall be provided for
14 Sandy financing loans for clean water projects to provide financial
15 assistance to communities affected by the Storm Sandy, and for
16 projects whose purpose is to reduce flood damage risk and
17 vulnerability or to enhance resiliency to rapid hydrologic change or
18 a natural disaster.

19 f. For the purposes of this act:

20 "Base financing" means zero interest loans provided by the
21 Department of Environmental Protection from moneys made
22 available for the purposes of this act from any source other than
23 funds received pursuant to the Federal Disaster Relief
24 Appropriations Act, related State matching funds, and interest
25 earned thereon.

26 "Federal Disaster Relief Appropriations Act" means the
27 "Disaster Relief Appropriations of 2013" (Pub.L.113-2), and any
28 amendatory and supplementary acts thereto.

29 "Sandy financing" or "Sandy funding" means grants, zero
30 interest loans or principal forgiveness loans provided by the
31 Department of Environmental Protection from funds made available
32 to the State for clean water projects or clean water project match,
33 pursuant to the Federal Disaster Relief Appropriations Act.

34

35 2. a. (1) The department is authorized to expend funds for
36 the purpose of making supplemental zero interest loans to or on
37 behalf of the project sponsors listed below for the following clean
38 water environmental infrastructure projects:

39

Project Sponsor	Project Number	Estimated Allowable DEP Loan Amount	Estimated Total Allowable Loan Amount
North Hudson SA	S340952-19-1	\$525,000	\$700,000
Total projects: 1		\$ 525,000	\$ 700,000

40

41 (2) The loans authorized in this subsection shall be made for the
42 difference between the allowable loan amounts required by these

1 projects based upon final building costs pursuant to section 7 of this
2 act and the loan amounts certified by the Commissioner of
3 Environmental Protection in State fiscal year 2017 and for increased
4 allowable costs as defined and determined in accordance with the
5 rules and regulations adopted by the department pursuant to section
6 4 of P.L.1985, c.329. The loans authorized in this subsection shall
7 be made to or on behalf of the project sponsors listed, up to the
8 individual amounts indicated and in the priority stated, to the extent
9 sufficient funds are available, except as a project fails to meet the
10 requirements of section 4, 5, or 7 of this act.

11 (3) The zero interest loans for the projects authorized in this
12 subsection shall have priority over projects listed in subsection a. of
13 section 3 of this act.

14 b. The Department of Environmental Protection is authorized
15 to adjust the allowable Department of Environmental Protection
16 loan amount for projects authorized in this section to between 25
17 percent and 75 percent of the total allowable loan amount, and loan
18 amounts to less than 25 percent to the extent the priority ranking or
19 an insufficiency of funding prevents the department from making
20 the loan.

21
22 3. a. The following environmental infrastructure projects shall
23 be known and may be cited as the "Storm Sandy and State Fiscal
24 Year 2020 Clean Water Project Eligibility List":
25

Project Sponsor	Project Number	Estimated Allowable DEP Loan Amount	Estimated Total Loan Amount
Camden County MUA	S340640-17	\$2,625,000	\$3,500,000
Rahway Valley SA	S340547-14	\$7,125,000	\$9,500,000
Rahway Valley SA	S340547-15	\$1,941,389	\$2,588,518
Elizabeth City	S340942-19	\$5,775,000	\$7,700,000
North Bergen MUA	S340652-14	\$17,250,000	\$23,000,000
Jersey City MUA	S340928-20	\$5,400,000	\$7,200,000
Bayshore RSA	S340697-06	\$11,325,000	\$15,100,000
Ocean County UA	S340372-59	\$5,715,000	\$7,620,000
Hoboken City	S340635-07	\$3,750,000	\$5,000,000
Perth Amboy City	S340435-13	\$637,500	\$850,000
Jersey City	S340928-30	\$2,033,250	\$2,711,000
North Hudson SA	S340952-22	\$13,500,000	\$18,000,000

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North Hudson SA	S340952-23	\$2,325,000	\$3,100,000
Riverside SA	S340490-01	\$630,000	\$840,000
Perth Amboy City	S340435-11	\$4,844,513	\$6,459,351
Passaic Valley SC	S340689-39	\$3,612,000	\$4,816,000
Passaic Valley SC	S340689-30	\$2,775,000	\$3,700,000
Passaic Valley SC	S340689-31	\$3,000,000	\$4,000,000
Passaic Valley SC	S340689-32	\$7,500,000	\$10,000,000
Northwest Bergen County UA	S340700-16	\$3,675,000	\$4,900,000
Jersey City MUA	S340928-28	\$2,025,000	\$2,700,000
Jersey City MUA	S340928-31	\$8,294,700	\$11,059,600
Gloucester City	S340958-08	\$1,575,000	\$2,100,000
Roxbury Township	S340381-07	\$5,625,000	\$7,500,000
Raritan Township MUA	S340485-12	\$3,675,000	\$4,900,000
Stafford Township	S344100-03	\$4,200,000	\$5,600,000
Stony Brook RSA	S340400-10	\$4,275,000	\$5,700,000
Ocean County	S344080-09	\$975,000	\$1,300,000
Little Egg Harbor Township	S344060-02	\$3,187,500	\$4,250,000
Ocean County	S344080-10	\$187,500	\$250,000
Ocean County	S344080-11	\$262,500	\$350,000
Rockaway Valley RSA	S340821-07	\$6,150,000	\$8,200,000
Point Pleasant Beach Borough	S344190-02	\$2,250,000	\$3,000,000
Lakewood Township MUA	S340465-03	\$1,080,000	\$1,440,000
Kearny MUA	S340259-07	\$4,875,000	\$6,500,000
Tuckerton Borough	S340034-03	\$1,053,905	\$1,405,206
Montclair Township	S340837-04	\$1,275,000	\$1,700,000
Middlesex County UA	S340699-13	\$30,000,000	\$40,000,000
Atlantic County UA	S340809-24	\$375,000	\$500,000
Rockaway Valley RSA	S340821-06	\$6,000,000	\$8,000,000
Toms River MUA	S340145-06	\$565,650	\$754,200

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Brick Township MUA	S340448-11	\$3,958,723	\$5,278,297
Northwest Bergen County UA	S340700-15	\$5,250,000	\$7,000,000
Northwest Bergen County UA	S340700-18	\$1,500,000	\$2,000,000
Western Monmouth UA	S340128-05	\$5,850,000	\$7,800,000
Old Bridge MUA	S340945-14	\$2,467,500	\$3,290,000
Franklin Township SA	S340839-07	\$1,875,000	\$2,500,000
Montclair Township	S340837-03	\$1,275,000	\$1,700,000
Ocean Township SA	S340750-13	\$412,500	\$550,000
Ocean Township SA	S340750-14	\$1,875,000	\$2,500,000
Ocean Township SA	S340750-12	\$3,075,000	\$4,100,000
Ocean County UA	S340372-58	\$3,323,250	\$4,431,000
Burlington Township	S340712-16	\$720,000	\$960,000
West Deptford Township	S340947-05	\$1,061,250	\$1,415,000
Middlesex Borough	S340698-02	\$1,926,563	\$2,568,750
Glen Ridge Borough	S340861-03	\$334,386	\$445,848
Glen Ridge Borough	S340861-04	\$1,392,109	\$1,856,145
Bradley Beach Borough	S340472-01	\$2,025,000	\$2,700,000
Long Beach Township	S340023-07	\$3,450,000	\$4,600,000
Ship Bottom Borough	S340311-03	\$3,525,000	\$4,700,000
Atlantic County UA	S340809-28	\$3,075,000	\$4,100,000
Somerset Raritan Valley SA	S340801-08	\$12,375,000	\$16,500,000
Aberdeen Township	S340869-02	\$6,750,000	\$9,000,000
Gloucester Township	S340364-15	\$1,087,500	\$1,450,000
Paulsboro Borough	S340164-01	\$2,062,500	\$2,750,000
Bradley Beach Borough	S340472-02	\$1,942,538	\$2,590,050
Perth Amboy City	S340435-18	\$1,327,500	\$1,770,000
Manchester Township	S340650-08	\$2,250,000	\$3,000,000
Point Pleasant Beach Borough	S340479-04	\$1,447,500	\$1,930,000

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Allentown Borough	S340567-06	\$498,704	\$664,938
Gloucester County IA	S342016-03	\$10,419,930	\$13,893,240
Somerville Borough	S342013-01	\$8,625,000	\$11,500,000
Total Projects: 72		\$290,502,860	\$387,337,143

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b. The following environmental infrastructure projects shall be known and may be cited as the “State Fiscal Year 2020 Drinking Water Project Eligibility List”:

Project Sponsor	Project Number	Estimated Allowable DEP Loan Amount	Estimated Total Loan Amount
Newark City	0714001-019	\$9,131,250	\$12,175,000
NJ American Water Co., Inc.	1345001-017	\$7,575,000	\$10,100,000
Newark City	0714001-016	\$10,500,000	\$14,000,000
North Jersey District Water Supply Comm.	1613001-022	\$12,750,000	\$17,000,000
North Jersey District Water Supply Comm.	1613001-025	\$18,000,000	\$24,000,000
Newark City	0714001-018	\$3,862,500	\$5,150,000
Lakehurst Borough	1513001-002	\$813,475	\$1,084,633
Netcong Borough	1428001-007	\$2,775,000	\$3,700,000
Manchester Township	1518005-002	\$4,125,000	\$5,500,000
Lower Township MUA	0505002-003	\$5,192,555	\$6,923,406
Paulsboro Borough	0814001-003	\$2,100,000	\$2,800,000
North Jersey District Water Supply Comm.	1613001-033	\$3,075,000	\$4,100,000
Netcong Borough	1428001-008	\$825,000	\$1,100,000
Middlesex Water Co.	1225001-028	\$8,400,000	\$11,200,000
Wall Township	1352003-001	\$1,350,000	\$1,800,000
Wall Township	1352003-002	\$2,775,000	\$3,700,000
Clinton Town	1005001-010	\$1,086,140	\$1,448,187
Clinton Town	1005001-011	\$949,355	\$1,265,807

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Netcong Borough	1428001-009	\$300,000	\$400,000
Jackson Township MUA	1511001-013	\$15,000,000	\$20,000,000
Berkeley Township MUA	1505004-009	\$1,650,000	\$2,200,000
Jersey City MUA	0906001-015	\$2,691,950	\$3,589,266
Hoboken City	0905001-001	\$6,375,000	\$8,500,000
Jackson Township MUA	1511001-010	\$6,150,000	\$8,200,000
Bellmawr Borough	0404001-006	\$1,725,000	\$2,300,000
Gloucester City	0414001-022	\$900,000	\$1,200,000
Ship Bottom Borough	1528001-002	\$2,812,500	\$3,750,000
Tuckerton Borough	1532002-006	\$1,102,613	\$1,470,150
Long Beach Township	1517001-501	\$1,725,000	\$2,300,000
Long Beach Township	1517001-502	\$8,625,000	\$11,500,000
Moorestown Township	0322001-002	\$10,500,000	\$14,000,000
Brick Township MUA	1506001-009	\$4,446,570	\$5,928,760
Brick Township MUA	1506001-010	\$870,000	\$1,160,000
Stafford Township	1530004-019	\$1,425,000	\$1,900,000
National Park Borough	0812001-004	\$1,275,000	\$1,700,000
Long Beach Township	1517001-015	\$3,119,401	\$4,159,201
Old Bridge MUA	1209002-013	\$3,000,000	\$4,000,000
Aberdeen Township	1330004-001	\$2,925,000	\$3,900,000
Milltown Borough	1212001-005	\$1,350,000	\$1,800,000
Hightstown Borough	1104001-010	\$1,331,759	\$1,775,678
NJ American Water Co., Inc.	2004002-013	\$12,000,000	\$16,000,000
Jackson Township MUA	1511001-012	\$8,250,000	\$11,000,000
Brick Township MUA	1506001-012	\$4,065,000	\$5,420,000
Hampton Borough	1013001-001	\$1,350,000	\$1,800,000
Total Projects: 44		\$200,250,068	\$267,000,088

1
2 c. The Department of Environmental Protection is authorized
3 to adjust the allowable Department of Environmental Protection

1 loan amount for projects authorized in this section to between 25
2 percent and 75 percent of the total allowable loan amount and loan
3 amounts to less than 25 percent to the extent the priority ranking or
4 an insufficiency of funding prevents the department from making
5 the loan.

6
7 4. Any financing loan made by the Department of
8 Environmental Protection pursuant to this act shall be subject to the
9 following requirements:

10 a. The Commissioner Environmental Protection has certified
11 that the project is in compliance with the provisions of P.L.1977,
12 c.224, P.L.1985, c.329, P.L.1992, c.88, P.L.1997, c.223, P.L.1997,
13 c.225 or P.L.2003, c.162, and any rules and regulations adopted
14 pursuant thereto;

15 b. A loan for an environmental infrastructure project listed in
16 section 2 or 3 of this act shall be subject to the terms and conditions
17 of the financing program year in which the trust issued an interim
18 financing program fund loan for such project or the terms and
19 conditions of the State fiscal year 2020 financing program in the
20 absence of an interim financing program fund loan.

21 c. The estimated Department of Environmental Protection
22 allowable loan amount shall not exceed 75 percent of the total
23 allowable loan amount of the environmental infrastructure facility
24 for projects listed in subsections a. and b. of section 2 of this act,
25 and in subsections a. and b. of section 3 of this act, provided that:

26 (1) for clean water project and drinking water project loans to
27 (a) municipalities that do not satisfy the New Jersey Infrastructure
28 Bank credit policy but are subject to State financial supervision and
29 oversight pursuant to the "Local Government Supervision Act
30 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), or (b) municipal,
31 county, or regional sewerage authorities, or utilities authorities, that
32 do not satisfy the New Jersey Infrastructure Bank credit policy but
33 where the municipal participant through its service agreement with
34 the authority or utility is under State financial supervision and
35 oversight pursuant to the "Local Government Supervision Act
36 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), and the repayment
37 obligation of the authority or utility is secured by the full faith and
38 credit of the participating municipality pursuant to the service
39 agreement, the Department of Environmental Protection allowable
40 loan amount shall be up to 100 percent of the total allowable loan
41 amount not to exceed a total of \$10 million for all such loans;

42 (2) for clean water and drinking water loans to municipalities
43 receiving funding under the United States Department of Housing
44 and Urban Development Community Development Block Grant –
45 Disaster Recovery Program (CDBG-DR) the Department of
46 Environmental Protection allowable loan amount shall be up to 100
47 percent of the total allowable loan amount; and

1 (3) for loans to communities for lead service line replacement,
2 the Department of Environmental Protection allowable loan amount
3 shall be up to 100 percent of the total allowable loan amount.

4 d. With the exception of paragraphs (1) and (2) of subsection c.
5 of this section, the loan shall be conditioned upon approval of a
6 loan from the New Jersey Infrastructure Bank pursuant to P.L. ,
7 c. , (pending before the Legislature as Senate Bill No. 3819 of
8 2019 and Assembly Bill No. 5456 of 2019), prior to June 30, 2020;

9 e. The loan shall be repaid within a period not to exceed 30
10 years, or 45 years for combined sewer overflow abatement projects,
11 of the making of the loan; and

12 f. The loan shall be subject to any other terms and conditions
13 as may be established by the commissioner and approved by the
14 State Treasurer, which may include, notwithstanding any other
15 provision of law to the contrary, subordination of a loan authorized
16 in this act to loans made by the New Jersey Infrastructure Bank
17 pursuant to P.L. , c. (pending before the Legislature as Senate Bill
18 No. 3819 of 2019 and Assembly Bill No. 5456 of 2019), or to
19 administrative fees payable to the trust pursuant to subsection o. of
20 section 5 of P.L.1985, c.334 (C.58:11B-5).

21
22 5. Any Sandy financing loan made by the Department of
23 Environmental Protection pursuant to this act shall be subject to the
24 following requirements:

25 a. The commissioner has certified that the project is in
26 compliance with the provisions of Title X, Chapter 7 of the Federal
27 "Disaster Relief Appropriations Act of 2013" (Pub.L.113-2), and
28 any amendatory and supplementary acts thereto;

29 b. The commissioner has certified that the project is in
30 compliance with the provisions of P.L.1977, c.224, P.L.1985, c.329,
31 P.L.1992, c.88, P.L.1997, c.223, P.L.1997, c.225 or P.L.2003,
32 c.162, and any rules and regulations adopted pursuant thereto; and

33 c. The loan shall be subject to any other terms and conditions
34 as may be established by the commissioner and approved by the
35 State Treasurer, which may include, notwithstanding any other
36 provision of law to the contrary, subordination of a loan authorized
37 in this act to loans made by the trust pursuant to P.L. ,
38 c. (pending before the Legislature as Senate Bill No. 3819 of 2019
39 and Assembly Bill No. 5456 of 2019) prior to June 30, 2020, or to
40 administrative fees payable to the trust pursuant to subsection o. of
41 section 5 of P.L.1985, c.334 (C.58:11B-5).

42
43 6. The eligibility lists and authorization for the making of loans
44 pursuant to sections 2 and 3 of this act shall expire on July 1, 2020,
45 and any project sponsor which has not executed and delivered a
46 loan agreement with the department for a loan authorized in this act
47 shall no longer be entitled to that loan.

1 7. The Commissioner of Environmental Protection is
2 authorized to reduce or increase the individual amount of loan funds
3 made available to or on behalf of project sponsors pursuant to
4 sections 2 and 3 of this act based upon final or low bid building
5 costs defined in and determined in accordance with rules and
6 regulations adopted by the commissioner pursuant to section 4 of
7 P.L.1985, c.329, section 2 of P.L.1999, c.362 (C.58:12A-12.2), or
8 section 5 of P.L.1981, c.261, provided that the total loan amount
9 does not exceed the estimated total allowable loan amount. The
10 commissioner is authorized to reduce or increase the individual
11 amount of loan funds made available to or on behalf of project
12 sponsors pursuant to sections 2 and 3 of this act in an amount not to
13 exceed 10 percent of the total allowable loan amount based upon
14 additional project costs to comply with the Department of
15 Environmental Protection's guidance for asset management,
16 emergency response, flood protection, and auxiliary power.

17
18 8. The expenditure of the funds appropriated by this act is
19 subject to the provisions and conditions of P.L.1977, c.224,
20 P.L.1085, c.302, P.L.1985, c.329, P.L.1989, c.181, P.L.1992, c.88,
21 P.L.1997, c.223, P.L.1997, c.225 or P.L.2003, c.162, and the rules
22 and regulations adopted by the Commissioner of Environmental
23 Protection pursuant thereto, and the provisions of the Federal
24 Disaster Relief Appropriations Act, the Federal Clean Water Act or
25 the Federal Safe Drinking Water Act, and any amendatory and
26 supplementary acts thereto, as appropriate.

27
28 9. The Department of Environmental Protection shall provide
29 general technical assistance to any project sponsor requesting
30 assistance regarding environmental infrastructure project
31 development or applications for funds for a project.

32
33 10. a. Prior to repayment to the Clean Water State Revolving
34 Fund pursuant to sections 1 and 2 of P.L.2009, c.77 and any
35 amendatory and supplementary acts thereto, prior to repayment to
36 the "Wastewater Treatment Fund" pursuant to the provisions of
37 section 16 of P.L.1985, c.329, prior to repayment to the "1992
38 Wastewater Treatment Fund" pursuant to the provisions of section
39 28 of P.L.1992, c.88, prior to repayment to the Drinking Water
40 State Revolving Fund, prior to repayment to the "Stormwater
41 Management and Combined Sewer Overflow Abatement Fund"
42 pursuant to the provisions of section 15 of P.L.1989, c.181, prior to
43 repayment to the "2003 Water Resources and Wastewater
44 Treatment Fund" pursuant to the provisions of section 20 of
45 P.L.2003, c.162, or prior to repayment to the "Water Supply Fund"
46 pursuant to the provisions of section 15 of P.L.1981, c.261,
47 repayments of loans made pursuant to these acts may be utilized by
48 the New Jersey Infrastructure Bank established pursuant to

1 P.L.1985, c.334 (C.58:11B-1 et seq.), as amended and
2 supplemented by P.L.1997, c.224, under terms and conditions
3 established by the commissioner and trust, and approved by the
4 State Treasurer, and consistent with the provisions of P.L.1985,
5 c.334 (C.58:11B-1 et seq.) and federal tax, environmental or
6 securities law, to the extent necessary to secure repayment of trust
7 bonds issued to finance loans approved pursuant to P.L. ,
8 c. (pending before the Legislature as Senate Bill No. 3819 of 2019
9 and Assembly Bill No. 5456 of 2019), and to secure the
10 administrative fees payable to the trust pursuant to subsection o. of
11 section 5 of P.L.1985, c.334 (C.58:11B-5) by the project sponsors
12 receiving trust loans.

13 b. Prior to repayment to the Clean Water State Revolving Fund
14 pursuant to section 1 and 2 of P.L.2009, c.77 and any amendatory
15 and supplementary acts thereto, prior to repayment to the
16 "Wastewater Treatment Fund" pursuant to the provisions of section
17 16 of P.L.1985, c.329, prior to repayment to the "1992 Wastewater
18 Treatment Fund" pursuant to the provisions of section 28 of
19 P.L.1992, c.88, prior to repayment to the "Water Supply Fund"
20 pursuant to the provisions of section 15 of P.L.1981, c.261, prior to
21 repayment to the Drinking Water State Revolving Fund, prior to
22 repayment to the "2003 Water Resources and Wastewater
23 Treatment Fund" pursuant to the provisions of section 20 of
24 P.L.2003, c.162, or prior to repayment to the "Stormwater
25 Management and Combined Sewer Overflow Abatement Fund"
26 pursuant to the provisions of section 15 of P.L.1989, c.181, the trust
27 is further authorized to utilize repayments of loans made pursuant to
28 P.L.1989, c.189, P.L.1990, c.99, P.L.1991, c.325, P.L.1992, c.38,
29 P.L.1993, c.193, P.L.1994, c.106, P.L.1995, c.219, P.L.1996, c.85,
30 P.L.1997, c.221, P.L.1998, c.84, P.L.1999, c.174, P.L.2000, c.92,
31 P.L.2001, c.222, P.L.2002, c.70, P.L.2003, c.158, P.L.2004, c.109,
32 P.L.2005, c.196, P.L.2006, c.68, P.L.2007, c.139, P.L.2008, c.68,
33 P.L.2009, c.102, P.L.2010, c.63, P.L.2011, c.93, P.L.2012, c.43,
34 P.L.2013, c.95, P.L.2014, c.25, P.L.2015, c.108, P.L.2016, c.32,
35 P.L.2017, c.143, as amended by P.L.2017, c.326, P.L.2018, c.85, as
36 amended by P.L.2018, c.137 and P.L.2019, c.12, or P.L. ,
37 c. (pending before the Legislature as this bill), to secure repayment
38 of trust bonds issued to finance loans approved pursuant to
39 P.L.1995, c.218, P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85,
40 P.L.1999, c.173, P.L.2000, c.93, P.L.2001, c.224, P.L.2002, c.71,
41 P.L.2003, c.159, P.L.2004, c.110, P.L.2005, c.197, P.L.2006, c.67,
42 P.L.2007, c.140, P.L.2008, c.67, P.L.2009, c.101, P.L.2010, c.62,
43 P.L.2011, c.95, P.L.2012, c.38, P.L.2013, c.94, P.L.2014, c.26,
44 P.L.2015, c.107, P.L.2016, c.31, P.L.2017, c.142, as amended by
45 P.L.2017, c.327, P.L.2018, c.84 as amended by P.L.2019, c.30, or
46 P.L. , c. (pending before the Legislature as Senate Bill No. 3819 of
47 2019 and Assembly Bill No. 5456 of 2019), and to secure the
48 administrative fees payable to the trust under these loans pursuant
49 to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5).

1 c. To the extent that any loan repayment sums are used to
2 satisfy any trust bond repayment or administrative fee payment
3 deficiencies, the trust shall repay such sums to the department for
4 deposit into the Clean Water State Revolving Fund, the
5 "Wastewater Treatment Fund," the "1992 Wastewater Treatment
6 Fund," the "Water Supply Fund," the Drinking Water State
7 Revolving Fund, the "2003 Water Resources and Wastewater
8 Treatment Fund," or the "Stormwater Management and Combined
9 Sewer Overflow Abatement Fund," as appropriate, from amounts
10 received by or on behalf of the trust from project sponsors causing
11 any such deficiency.

12

13 11. The Commissioner of Environmental Protection is
14 authorized to enter into capitalization grant agreements as may be
15 required pursuant to the Federal Disaster Relief Appropriations Act,
16 the Federal Clean Water Act, or the Federal Safe Drinking Water
17 Act.

18

19 12. There is appropriated to the New Jersey Infrastructure Bank
20 established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) from
21 repayments of loans and interest deposited in any account, on or
22 before June 30, 2019, including the "Clean Water State Revolving
23 Fund," the "1992 Wastewater Treatment Fund," the "Water Supply
24 Fund," the "Stormwater Management and Combined Sewer
25 Overflow Abatement Fund," the "2003 Water Resources and
26 Wastewater Treatment Fund," or the Drinking Water State
27 Revolving Fund, as appropriate, and from any net earnings received
28 from the investment and reinvestment of such deposits, such sums
29 as the chairman of the trust shall certify to the Commissioner of
30 Environmental Protection to be necessary and appropriate for
31 deposit into one or more reserve funds or accounts established by
32 the trust pursuant to section 11 of P.L.1985, c.334 (C.58:11B-11).

33

34 13. There is appropriated to the New Jersey Infrastructure Bank
35 established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), funds
36 from the Federal Disaster Relief Appropriations Act, Pub.L.113-2,
37 deposited in any account including the Clean Water State Revolving
38 Fund, the "Water Supply Fund," or the Drinking Water State
39 Revolving Fund, as appropriate, and from any net earnings received
40 from the investment and reinvestment of such deposits, such sums
41 as the chairman of the trust certifies to the Commissioner of
42 Environmental Protection to be necessary and appropriate for
43 deposit into one or more reserve funds or accounts established by
44 the trust pursuant to section 11 of P.L.1985, c.334 (C.58:11B-11).

45

46 14. This act shall take effect immediately.

STATEMENT

This bill appropriates certain federal and State moneys to the Department of Environmental Protection (DEP) for the purpose of implementing the State Fiscal Year 2020 New Jersey Environmental Infrastructure Financing Program (NJEIFP), which is expected to finance approximately \$655.04 million in Storm Sandy and other environmental infrastructure projects for State Fiscal Year 2020.

Under the bill, approximately \$12 million will be available for principal forgiveness loans of up to \$3 million for combined sewer overflow (CSO) projects with a focus on green technology (e.g., green roofs, rain gardens, porous pavement, and other activities that maintain and restore natural hydrology). For these CSO projects, 50 percent of the fund loan will be forgiven, 25 percent of the loan will be a zero-interest rate fund loan, and 25 percent of the loan will be a New Jersey Infrastructure Bank (“trust”) market rate loan. For project costs greater than \$6 million up to \$10 million, 75 percent of the loan will be a zero-interest rate fund loan and 25 percent of the loan will be a trust market rate loan. In addition, a maximum of \$10 million in principal forgiveness loans up to \$1 million per borrower will be allocated to communities sponsoring construction projects that reduce or eliminate discharges from CSO outfalls that do not utilize green technology. Similar to the terms for CSO projects utilizing green technology, 50 percent of the fund loan will be forgiven, 25 percent of the loan will be a zero-interest rate fund loan, and 25 percent of the loan will be a trust market rate loan. For project costs greater than \$2 million up to \$10 million, 75 percent of the loan will be a zero-interest rate fund loan and 25 percent of the loan will be a trust market rate loan. For all CSO project amounts in excess of \$10 million, 50 percent of the loan will be a zero interest rate loan and 50 percent of the loan will be a trust market rate loan. Principal forgiveness will be available to the highest ranked CSO projects and will be awarded according to the DEP’s ranking methodology based on each project’s relative water quality benefit and project readiness.

Approximately \$6 million will be available for principal forgiveness loans for stormwater runoff mitigation environmental infrastructure projects in the Barnegat Bay Watershed to continue addressing the critical water quality issues confronting this waterbody, of which 25 percent will be subject to principal forgiveness in an amount not to exceed \$2 million of principal forgiveness per project sponsor.

To the extent funds are available, a maximum of \$1.5 million in principal forgiveness loans will be available to finance the development of asset management plans for systems serving populations up to 10,000 residents of which 100 percent will be

1 subject to principal forgiveness in an amount not to exceed
2 \$100,000 per project sponsor.

3 A maximum of \$4 million in principal forgiveness loans will be
4 available to drinking water systems for improvements to water
5 supply systems serving populations of up to 10,000 people, in an
6 amount not to exceed \$500,000, and may not exceed 50 percent of
7 the total loan amount per project sponsor in an amount not to
8 exceed \$1 million per project sponsor. To the extent funds are
9 available, a maximum of \$30 million of principal forgiveness loans
10 will be available for drinking water systems serving communities
11 with a weighted median household income less than the median
12 household income for the county in which they are located for lead
13 service line replacement. The amount of a principal forgiveness
14 loan would not exceed 90 percent of the total fund loan amount of
15 \$1 million per project sponsor for systems serving populations less
16 than 10,000, \$5 million per project sponsor for water systems
17 serving populations between 10,000 and 100,000, and \$10 million
18 per project sponsor for water systems serving populations greater
19 than 100,000.

20 Disaster Relief Emergency Financing Program loans will
21 continue to be available for short-term financing for projects to
22 repair or improve the resiliency of environmental infrastructure
23 systems adversely impacted by Storm Sandy. The source of funds
24 for such loans is currently repayments of prior NJEIFP loans and
25 trust operating funds, but private bank financing for such loans may
26 be used as the need arises. Finally, short-term Interim Financing
27 Program (IFP) loans will be available for projects approved to
28 receive long-term financing. IFP loans will be available upon
29 project certification by the DEP, and satisfaction of financial
30 eligibility requirements. The loans will finance costs disbursed
31 prior to long-term financing. The source of funds for such loans
32 include prior capitalization grants, NJEIFP loan repayments, prior
33 State bond acts, and interest earnings thereon.

34 The DEP would use the funds appropriated under this bill to
35 make zero-interest loans to local governments and privately-owned
36 water companies (project sponsors) for between 25 percent and 75
37 percent of project costs totaling: (1) \$387.34 million for new clean
38 water projects included in the "Storm Sandy and State Fiscal Year
39 2020 Clean Water Project Eligibility List," and \$700,000 for one
40 clean water project through supplemental zero interest loans to a
41 project sponsor that had previously received a loan, subject to the
42 availability of funds; and (2) \$267 million for new drinking water
43 projects included in the "State Fiscal Year 2020 Drinking Water
44 Project Eligibility List." The supplemental loan constitutes the
45 difference between the allowable loan amount required by the
46 project and the loan amount certified by the Commissioner of
47 Environmental Protection in State Fiscal Year 2020. The bill
48 authorizes the DEP to issue loans up to 100 percent of the total

1 allowable loan amount: (1) for clean water loans to municipalities
2 that do not satisfy the trust credit policy, but are subject to State
3 financial supervision and oversight pursuant to the “Local
4 Government Supervision Act (1947),” P.L.1947, c.151 (C.52:27BB-
5 1 et seq.); (2) for clean water and drinking water loans to county or
6 regional sewerage or utility authorities that do not satisfy the trust's
7 credit policy, but where the municipal participant via its service
8 agreement with the authority is under State financial supervision
9 and oversight pursuant to the “Local Government Supervision Act
10 (1947),” P.L.1947, c.151 (C.52:27BB-1 et seq.) and the repayment
11 obligation of the authority remains secured by the full faith and
12 credit of the participating municipality pursuant to its service
13 agreement with the municipality; (3) for clean water project and
14 drinking water project loans to municipalities receiving funding
15 under the United States Department of Housing and Urban
16 Development Community Development Block Grant – Disaster
17 Recovery Program (CDBG-DR); and (4) for loans to clean water or
18 drinking water systems serving 10,000 or fewer residents the DEP
19 allowable loan amount will be 100 percent of the total allowable
20 loan amount not to exceed a total of \$100,000 per project sponsor.

21 A companion bill, Senate Bill No. 3819 of 2019, would authorize
22 the trust to make market rate loans to project sponsors for between
23 25 percent and 75 percent of project costs for the clean water and
24 drinking water projects mentioned above. Under this bill, together
25 with Senate Bill No. 3819 of 2019, the NJEIFP would finance
26 \$655.04 million in environmental infrastructure projects for State
27 Fiscal Year 2020, subject to the availability of funds. Funding
28 sources for the loans include federal capitalization grants, State
29 bond issue proceeds, State match, various prior legislative
30 appropriations, loan repayments, interest earnings, and market rate
31 loans made by the trust.

32 Finally, the bill would appropriate to the trust, from repayments
33 of loans, interest payments, certain federal funds, and any earnings
34 received from the investment of those funds, such amounts as the
35 chairman of the trust certifies are necessary for deposit into one or
36 more reserve funds established by the trust.